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The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. -- James Monroe

In Two Sections—Section I

WASHINGTON, D. C.

Volume X, Number 34, May 12, 1941

Britain's Prospects Of Victory Studied

Setbacks in Atlantic and Near East Cause Grave Concern in Washington

U. S. AID POWERFUL FACTOR

But Whether It Will Turn the Tide or Merely Prolong the Struggle Is Hotly Debated Point

News of a very serious nature disturbed Washington last week. It revealed that Britain's position in the Near East had become very much more difficult than it appeared to be on the surface. Somehow Hitler had managed to assemble two mechanized and four motorized divisions along the Egyptian border of Libya. Against this mass of tanks and armored cars, the British can muster scarcely more than a single mechanized division. Thus, a successful German break-through to the Suez Canal seems far more possible now than it did a few weeks ago. In the meantime, the British have been forced to fight native troops in Iraq (see THE AMERICAN OBSERVER for May 5), and the possibility of help from Turkey grows less with each day that passes.

A Dark Picture

Although it is too early to say that Britain faces defeat in the Mediterranean, her position at both ends of the sea is admittedly serious. Realization of this has reached Washington at a time when the seriousness of the British position on the North Atlantic has become clear to all. Exact figures cannot be obtained, but some experts believe that British shipping has been reduced to a grand total of 15,000,000 tons, of which only a third is available for service in the North Atlantic. These figures may be too low, but it is known that British imports of food have dropped by one-third, and the present outlook in this region is nearly as dark as in the Near East.

All this raises a question—one which comes right home to the American people. If we should decide to go the limit in helping Britain defeat Germany, could we be fairly certain of success? If we do not enter the war and if England is conquered, can we still defend the Western Hemisphere? Does England stand any chance of winning without our continued aid? These are questions of fact and questions of power which must be openly and courageously faced. Seldom have the American people been confronted with a more serious problem.

If the answers to these questions were clear, or if a majority of experts and thoughtful people were agreed on them, matters would be simplified a great deal. But they are not. The differences of opinion among well-informed people are sharp, and the best we can do is to listen to the arguments, weigh the evidence, and then form our judgments as best we can.

Among those who believe that Britain cannot win alone, or with limited or all-out aid from the United States, is Colonel Charles A. Lindbergh, whose views recently brought him into a clash with the President and caused him to resign his commission in the Air Corps Reserve. His views are stated flatly:

France has now been defeated; and, despite the propaganda and confusion of recent months, it is now obvious that England is losing the war. I believe this is realized even by the British government. But they have one last desperate plan remaining. They hope

(Concluded on page 6)



MIDNIGHT

ELDERMAN IN WASHINGTON POST

Choosing a Vocation

By WALTER E. MYER

Many young people now preparing for future jobs are giving a great deal of attention to the boom in the defense industries. They realize that there is a strong demand just now for mechanics and machinists, for carpenters and other construction workers, and among women, for nurses. But how long, many are asking, will this demand last? Will there still be jobs in these industries when the war crisis is over? All things considered, should young people prepare to enter these defense industries and find their life work in them? This problem has to be considered from two different angles; from the standpoint of the country and from the standpoint of the individual. The country's needs must not be neglected. When it needs mechanics or nurses or people from any other particular occupation, young men and women who have an aptitude for such work should go into it as a service to the country. There is as great a need for service of this kind as for service with armed forces. But students who are considering their life work should realize that present conditions are probably temporary. We will not always be preparing for war at the rapid pace we are now following. Jobs now in great demand will be in less demand when the crisis is over. While, therefore, a student may train now for work in the defense industries—while in many cases he should do it as a patriotic duty—he should also maintain his interest in other occupations. He should keep in mind the possibility of doing not only the defense work but other kinds of work as well. He should study the requirements for success in other occupations and should be looking for some other vocation for which he is naturally qualified in case the defense activities in which he may temporarily engage become overcrowded.

We do not know exactly where the greatest opportunities will be five or 10 years from now. Many changes in industry may occur during that time. Students should, therefore, be alert. They should watch the trends and discuss them with their advisers. Meanwhile, the best thing for them to do is to study vocations broadly just as they would in ordinary times. Each young person should get somewhat acquainted with as many occupations as possible. He should find out as much as he can about the opportunities in these vocations and about the daily routines. In the light of such information one should make up his mind which occupation he would probably like best and in which one he could probably do the best work. Then he should, after consulting his vocational adviser, take the courses in school which will give him the best start toward success in the occupation of his choice. One should, of course, avoid occupations which are especially overcrowded even though he would like to enter them. It is a fact, however, that when times are prosperous a capable young person can generally get a start in almost any vocation he may choose, and in times of depression one occupation is likely to be about as badly overcrowded as another although there are naturally exceptions to this rule.

U. S. Officials Push Vast Finance Plans

Billions to be Raised by Wide-spread Sale of Bonds and Sharp Tax Increases

CHIEF AIM IS FOR DEFENSE

New Borrow-Tax Program May Help to Check Inflation by Curtailing Consumer Purchasing

The United States government is coming face to face with the problem of financing the gigantic defense program which has been undertaken. Within the last few days, this problem has been attacked on two fronts. On May 1, the long-awaited campaign to sell defense bonds to the American public was launched. At the same time, the Ways and Means Committee of the House of Representatives is writing what will probably be the largest tax measure in the history of the world. By these two steps the United States government hopes to finance the greater part of the defense program. The gigantic outlays (Congress has already appropriated or authorized a total of \$42,000,000,000 for defense) will thus be met by a combination of taxation and borrowing.

If the primary purpose of the double program of taxation and borrowing is to finance the defense program, there are a number of secondary objectives to be achieved. One of the most important of these is to prevent a disastrous inflation which would cause untold havoc and which might wreck the entire national effort. For, if adequate safeguards are not taken, prices might skyrocket, panic might seize the public, and a gigantic economic upheaval might take place. Later in this article, we shall discuss how the financial program which is being launched will accomplish this purpose. Meanwhile, let us consider the important features of the taxation and the savings programs.

Defense Bonds

The government hopes to raise more than \$6,000,000,000 during the coming year by selling bonds to individuals and corporations in this country. In order to meet the needs of various groups and individuals, different types of defense bonds and stamps have been placed on the market. They range from the 10-cent stamp to the \$10,000 bond. They are sold in post offices and banks throughout the country and directly by the United States Treasury. The President has urged the public to buy these bonds, not only as a patriotic duty but as a sound investment. "Serve by saving" has become a slogan widely quoted throughout the country.

From the standpoint of the individual of moderate means, the most popular defense bond is the so-called Series E bond, to be sold in denominations of \$25, \$50, \$100, \$500, and \$1,000. These bonds may be purchased for \$18.75, \$37.50, \$75, \$375, and \$750, and if held for 10 years are redeemable for the face value of \$25, \$50, etc. Thus, the amount of interest is added to the value of the bond. For example, a bond which sells for \$18.75 may be redeemed for \$20 in three years, for \$23 in eight years, and will yield \$25 if held for the full 10 years. In other words, the Series E bonds increase one-third in value during the 10-year period. They bear interest at the rate of 2.9 per cent annually.

(Concluded on page 7)

THE British cabinet reshuffle that followed the close of the Balkan campaign has placed Lord Beaverbrook, the Canadian-born newspaper publisher, in a position second only to that of Winston Churchill. Beaverbrook entered the war cabinet a year ago as minister of aircraft production. By cutting bureaucratic red tape and vigorously coordinating all plants that could possibly be turned to plane manufacture, he was able to achieve wonders in supplying the Royal Air Force with equipment at a time when its needs were desperate.

Now Beaverbrook is to be in charge of all war production, not aircraft alone, but tanks, guns, and ships as well. And the British public, accustomed to expect results from him, is looking forward to greatly expanded production of munitions all down the line. In some London circles there are predictions that if Beaverbrook is successful in this new cabinet post, he may someday become the successor to Prime Minister Winston Churchill.



INT'L NEWS

LORD BEAVERBROOK

Beaverbrook has had a remarkable career that reads like a Horatio Alger story. His parents were rather poor, but before he was 31 Beaverbrook had amassed a fortune of over \$5,000,000, and with this wealth he left for England, to try his luck in politics and journalism. He now owns three newspapers, one of them, the *Daily Express*, claiming to have the largest circulation in the world.

The magazine *Current Biography* gives this picture of him:

Even those who don't much like Lord Beaverbrook's ideas seem susceptible to his charm. . . . He knows all sorts of people—taxicab drivers, aviators, steel workers. He knows people because he has a boundless curiosity and all his life has been asking questions and actually listening to the answers. Quite frankly a vulgarian, he's fond of slapping his trouser pockets and saying: "I have all the money any man can want" while Conservative Britons shudder. Yet among those who find his company stimulating are such public figures as Sir Archibald Sinclair, . . . Prime Minister Winston Churchill, and such intellectuals as Rebecca West and Noel Coward.

Empire Links

The chain of communications between Great Britain and its Far Eastern empire is made up of five main links: Gibraltar, the Mediterranean, the Suez Canal, the Red Sea, and the Gulf of Aden. Recently President Roosevelt removed the combat zone restrictions from two of these links, the Red Sea and the Gulf of Aden; and American merchant vessels are now able to enter these waters for the first time since the war spread to the Mediterranean.

Writing in the New York *Herald Tribune*, John E. Bierck presents some interesting facts about these two empire links:

The Red Sea has carried commerce since Egyptians and Phoenicians sailed it 3,500 years ago. It has been in war zones from the days of the fourteenth century Arabs to those of Kipling's Fuzzy-Wuzzies and the Axis powers. And it bulks large in the Old Testament. It was at the Gulf of Suez, near the present Suez Canal, the Bible story relates, that the sea was miraculously crossed by the children of Israel when they journeyed from Egypt to the land of Canaan, about 1320 B.C.

Approximately 1,450 miles long, and with an average width of 180 miles, the Red Sea is a branch of the Indian Ocean. It extends from the Strait of Bab el Mandeb northwest between Arabia on the east and Eritrea, the Anglo-Egyptian Sudan, and Egypt on the west. The strait, from 15 to 20 miles wide, separates the southwest tip of Arabia from northeast Africa at the point where the Red Sea joins the Gulf of Aden and it opens in turn on the Indian Ocean. The strait's name means, in Arabic, Gate of Tears or Lamentations, and it has thus been called since ancient times because treacherous currents and sudden, violent winds have sent uncounted sailing vessels to their doom.

The Red Sea was plied in ancient times by sail- and oar-propelled trading ships. To Egypt were taken olive oil, metals, and other articles and these were traded for wheat, rye, barley and general commodities, including objects of Egyptian craftsmanship.

In the Middle Ages, vessels from all the Mediterranean ports brought cargoes to

News and Comment

the shores of the Sinai peninsula, through which the Suez Canal now runs. Regular camel caravans then ferried the merchandise across the Sinai sands to be loaded again onto ships at the northern end of the Red Sea. This phase of the sea's history did not come to an end until 1498, when Vasco da Gama discovered the route to the Far East by way of the Cape of Good Hope.

City of Peace

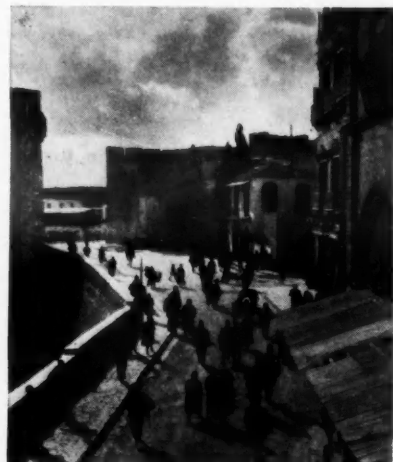
When young King Peter and his officials fled from conquered Yugoslavia, they found temporary refuge in Jerusalem. The name by which we call this ancient city comes from *Urusalim*, *uru* for "city" and *salim* for "peace." Whether the members of the Yugoslav government will find it a "city of peace" remains to be seen, however.

A recent bulletin of the National Geographic Society reminds us that this holy city of three great religions has throughout history been the scene of innumerable conflicts. Earliest records show Urusalim to have been the tiny fortified capital of a little country which paid tribute to Egypt. This was in 1400 B.C., and in the centuries that followed the town changed hands repeatedly, being taken in turn by Israelites, Macedonians, Romans, and Persians. In 637 A.D. it fell to the Mohammedan Caliph Omar, and after its capture by Godfrey of Bouillon in the first crusade it became the capital of a Christian monarchy which lasted for 88 years. Retaken in 1187, it remained in Moslem hands until the Turks surrendered it to the British in 1917.

The varied history of Jerusalem has given it a character wholly unlike that of any other city in the world. It is described in the bulletin as a city that is at once ancient and up to date:

Modern Jerusalem is a "two-in-one" city. Behind crumbling walls lies an early core of settlement, the ancient town of narrow, crooked streets, tiny bazaars, and heavily barred windows. Its uneven skyline, with sharp spires, and broad, curving domes, lofty minarets and crosses, hints at the variety of its life and ritual. There Christians, Moslems, and Jews find three of their most sacred shrines in the Church of the Holy Sepulchre, the Mosque of Omar, and the famous Wailing Wall. . . . To curious explorers, a mysteriously romantic aspect of the old city is its fabled labyrinth of caverns, running under the Moslem quarter and believed to have outlet in a nearby open valley.

Outside the walled section, the modern city of Jerusalem spreads itself in ever-widening circles. . . . The Palestine capital has boomed surprisingly within the last decade. Whole new districts of homes, apartments, and restaurants have risen, with up-to-date movies, banks, hotels, parks, and shopping centers. In May 1939, a \$1,500,000 medical center, with university, hospital, and medical school, was dedicated.

PUBLISHERS PHOTO
JERUSALEM

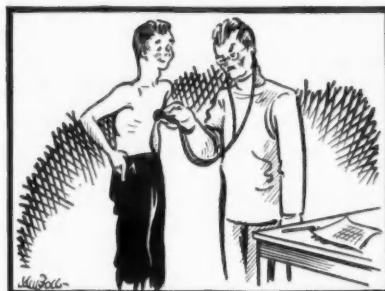
Ten years ago the population of Jerusalem was a little over 90,000. Today it is nearly 130,000.

Food for Thought

Are Americans of this generation physically fit? Albert Deutsch, a feature writer

for the New York newspaper *PM*, who attended physical examinations given 120 men in a New York hospital, is not sure. These young men, all of draft age, did not make an impressive sight:

It was a sorry spectacle, this parade of stooped shoulders, flat chests, big stomachs, spindle legs, and stunted bodies that passed before me. There were youths of 25 who looked 40, and others with undeveloped forms who seemed no more than adolescents. There



were bad hearts, bad lungs, bad teeth, poor eyes. A large proportion of the men bore surgical scars on their bodies. The flower of American youth. Of the whole lot of 120, there were only about four or five with really well-toned, vibrant, healthy physiques.

It is very possible, of course, that the condition of this particular group, drawn from the heart of a great city, was considerably below the average. But even so, the author goes on to say that the health of men of draft age all over the country is deplorably poor:

The pity of it all is that most of the physical defects found in draftees could easily have been prevented or cured if caught in time. Many of the men have suffered for years with maladies that were now detected for the first time. It is impossible to determine the relative responsibility of personal neglect, insufficient economic resources, and the lack of medical resources for this situation. One thing is clear: something is radically wrong.

Just what is wrong, the author does not go on to say, but one of the examining physicians had a thought on the subject:

If we paid as much attention to the health of human beings as we do to that of hogs and cattle, we wouldn't have this depressing picture. The government requires periodic tuberculin tests for cows; if the same care were devoted to human beings, we'd go a long way toward wiping out tuberculosis in a generation.

Of Wishful Thinking

In no other country is there such widespread discussion of public problems and policies as in the United States. The pros and cons of every position from extreme interventionism to extreme isolationism have been threshed out in the press, over the radio, in countless forums.

But if a democratic country, such as ours, has every access to unexpressed public debate, William Henry Chamberlin points out, it is in danger of falling victim to "the malady of wishful thinking."

Writing in the current number of *Harpers*, Mr. Chamberlin recalls how scores of American intellectuals, in the early thirties, were deluded into believing that the Soviet Union had achieved utopia; how many writers, anxious to see the end of Japanese imperialism, have repeatedly predicted the internal collapse of Japan, only to see their predictions confounded; how widespread was the belief in the early months of this war that Germany could not possibly win. To quote Mr. Chamberlin:

People want to hear and read what they would like to believe. To tell an unpopular truth to a large audience may be commercially and socially almost impossible. Mass wishful thinking does a vast amount of harm, if only because those who indulge in it are not cushioned against the impact of hard unpleasant developments when these occur.

In relation to the most urgent immediate problem, America's relation to the war, wishful thinking leads to a position dangerously similar to the one which German propaganda attributed to England during the first phase of the war.

England, so the French soldiers were told

by loud speakers on quiet days at the front, . . . would fight to the last Frenchman. Some of the arguments for aid to Great Britain seem to be based on the premise that the United States will fight to the last Englishman.

This is not a very heroic policy and it may well prove to be not a very realistic one. If the war goes badly the day may come when England will pray to be delivered from such friends. Every observer in France whose eyes and ears were open realized how much bad feeling was aroused during the war among the French soldiers and civilians by the fact that very few British troops were on the front. And England was a full-fledged participant in the war and was giving substantial aid to France with its navy and air force.

Hallett Abend

Hallett Abend ranks among the leading newspapermen who have been stationed in the Far East. He has been a representative of the New York *Times* in that vital sector of the world front for 15 years and has closely followed the developments that have unfolded since the Manchuria incident of 1931. He is now in this country on leave and his book, *Japan Unmasked* (New York: Ives Washburn, Inc. \$3), gives a complete picture not only of Japan but also of the entire Far Eastern region.

Mr. Abend's appraisal of the situation in Asia is far from reassuring. An eventual showdown between Japan and the United States is inevitable, he says. "The increasing acrimony of the disputes indicates a steady drift toward war—a war which neither side wants and which the masses of the people of both countries dread. The gravest part of the whole situation is that neither Washington nor Tokyo is bluffing. Japan does not dare to call a halt to her expansion plans; the country is geared to war, and the domestic economic results of peace would be disastrous." Mr. Abend continues:

The situation has now seemingly gone beyond the hope of a diplomatic solution. Peace could probably be indefinitely prolonged only by an ignominious surrender by either Washington or Tokyo, and each side is now so deeply committed that such surrender or compromise is unthinkable.

The army leaders who now control the Japanese government are bold gamblers, ready and willing to stake everything on the success of their plans for the domination of Asia. "They are staking the entire man power, prestige, and wealth of the empire upon the ultimate success of their scheme, and will either achieve an army-dominated form of state socialism, coupled with Asiatic hegemony, or ruin the country in their attempt."

In Brief

Britain's army has some dogs which have been trained to carry rolls of tele-



phone cable strapped to their backs. As the dog trots with its burden over rough ground, the cable unrolls and is rough along the way. Thus, under conditions which might make it difficult for a soldier to do the same work, the dog is helping to lay a line of communication.

* * *

Every war has forced nations to develop substitutes for products which the conflict prevented them from obtaining otherwise. Among the things produced by this necessity were beet sugar, oleomargarine, and a method for making soda from sea salt.

* * *

As compared with an automobile dashboard, the modern airplane's instrument panel is extremely complicated. On one of the most recent American models, there is a "switchboard" of about 90 lights which are connected with various parts of the plane. When something goes wrong with a part, its corresponding light on the board flashes to warn the pilot.



THE DENTAL HYGIENIST

N. Y. BOARD OF EDUCATION

• Vocational Outlook •

Dental Hygienist and Laboratory Technician

AMONG the professions open to young women in the field of health service are dental hygiene and laboratory technology. The dental hygienist finds employment in the office of a dentist who has too large a practice to handle by himself. Her position, however, should not be confused with that of the dental assistant or nurse, who is a helper without authority to engage in any technical dental work. The hygienist, on the other hand, is trained and licensed to clean and polish teeth, to teach mouth hygiene, to examine teeth, and to administer various preventive treatments as prescribed by the dentist. In addition, she may prepare teeth charts, sterilize instruments, and teach facial exercises to patients who are undergoing teeth-straightening treatments.

About half of the hygienists work for dentists, while the others are employed in public schools and hospital clinics. The school dental hygienist examines teeth and gives lectures on the care of teeth.

One disadvantage of the field is that the hygienist very often has to compete with the untrained dental assistant, who is poorly paid. This situation tends to pull down the average income among hygienists, a large majority of whom make from \$12 to \$40 a week in private dentists' offices. Those employed in public schools make about as good an income as the average teacher; the scale in New England, for example, is \$1,000 to \$1,800 a year. In hospitals the average salary is from \$50 to \$100 a month, but the hospital hygienist generally receives board and lodging.

Unlike so many professions, dental hygiene does not require a long and expensive period of training. One must be a high school graduate in order to enter any of the 17 approved schools, whose tuitions vary from \$200 to \$500 a year. A one-year course is sufficient for the hygienist who intends to become associated with a dentist in private practice, but a two-year course is advisable if she contemplates making an affiliation with a school, a clinic, or a hospital.

Turning to the work of the laboratory technician, one finds that most of the women in this field obtain their employment in hospitals, doctors' offices, public health agencies, and medical colleges. A somewhat smaller number work for private commercial laboratories which conduct tests and analyses for doctors who do not have their own laboratories.

The work required in this profession includes, briefly, taking tests and blood counts, staining specimens for microscopic examination, and making various laboratory analyses. Not so many years ago, most of those entering the field began as apprentices in hospitals or doctors' offices.

Today, however, more and more individuals are taking college training, thus qualifying themselves for better positions and higher pay than if they had begun as

apprentices. One survey taken several years ago among 217 well-trained technicians indicated an average monthly salary of \$126, while the average salary among 174 beginners was \$92 a month.

The employment opportunities in the profession, of course, have increased as the extension of public health services has gone forward. There are now approximately 12,000 women in the field, and from all indications those who are properly trained have little difficulty in finding jobs.

One must now take two years of college work in order to gain admission to schools where laboratory technique is taught. The course itself varies in length from one to four years. There are about 25 schools connected with universities which offer approved training, and some of these schools will accept only college graduates. There are also over 100 hospital schools offering instruction in laboratory technology.

The Week at a Glance . . .

Tuesday, April 29

After succession of devastating air raids, British port city of Plymouth was declared to be an evacuation area, and large portion of population was to be removed.

Secretary of War Stimson was disclosed to have accepted Charles A. Lindbergh's resignation as a colonel in the air corps reserve.

President Roosevelt repeated that it is his intention to extend the neutral patrol of the oceans to whatever extent it seems necessary to the defense of the Western Hemisphere.

Wednesday, April 30

Britain revealed that of the 60,000 troops originally landed in Greece, between 45,000 and 48,000 succeeded in escaping. Germany claimed to have captured 5,000.

President Roosevelt, Secretary of the Treasury Morgenthau, and Postmaster General Walker made radio addresses tonight to call attention to first sales of defense savings stamps and bonds.

The President ordered the Maritime Commission to mobilize 2,000,000 tons of existing shipping for service wherever their cargo space will be most effective in aiding the needs of Britain and other democracies.

Russia reported that Germany had landed 12,000 fully equipped troops in southwestern Finland.

Thursday, May 1

British reported that attempted Axis drive into Egypt remained stalled. In eastern Libya, however, the outer defenses of British-held Tobruk were giving way to German-Italian thrusts.

Opening sales of defense savings stamps and bonds proceeded briskly today.

Trouble was brewing between Britain and Iraq over the landing of British troops in southern Iraq.

Friday, May 2

Pan American Airways inaugurated the first air-line connection between the United States and Singapore.

Among other changes made in the British cabinet, Lord Beaverbrook, formerly minister of aircraft production, became minister of state.

Fighting broke out in Iraq between British forces and Iraqi troops. Iraq was reported to be receiving German encouragement, and the government is pro-German.

President Roosevelt urged that vital defense industries begin operations immediately on a schedule of 24 hours a day, seven days a week.

Saturday, May 3

It was revealed that Wendell Willkie had sent word to the President, advising that he would support the administration in any decision to employ convoys in the Battle of the Atlantic.

Federal Communications Commission gave its permission for commercially sponsored television programs to begin July 1.

Sunday, May 4

In a talk at dedication of Woodrow Wilson's birthplace as a national shrine, President Roosevelt declared the United States is "ever ready to fight again" for democracy.

Fighting in Iraq between British and natives was reported to be spreading out and becoming more intense.

In his fourth address to the German Reichstag since the war began, Adolf Hitler talked for 75 minutes, reviewing the Balkan campaign and assailing the Churchill government.

Monday, May 5

British forces were gaining the upper hand in the fighting in Iraq.

Ordering immediate action to speed aircraft production, the President called for the creation of the world's most powerful fleet of long-range bombers. Government sources placed this year's plane production at 20,000.

♦ SMILES ♦



"My best time was last Saturday. We shot the whole course, including vegetables, in eight minutes flat."
—MIDDLECAMP IN SATURDAY EVENING POST

"You know, George proposed to me last night."

"Doesn't he do it beautifully, though!"
—BOYS' LIFE

An old gardener was somewhat bored by the persistent questions of a townsman staying at the local hotel. One day the visitor found his victim busy planting trees and immediately asked, "What kind of trees are you planting?"

"Wooden ones," came the astonishing reply.
—GRIT

A man in charge of secret papers in a branch of the British government received a large envelope marked "Most Secret." Inside was another envelope, also marked "Most Secret." Inside that was a letter headed "Most Secret" which read:

"Most Secret Paper No. 123456/XYZ/ABC may now be considered no longer secret."
—SELECTED

First Draftee: "I sure feel like punching that hard-boiled top sergeant in the nose again."

Second Draftee: "Again?"

First Draftee: "Yes, I felt like it yesterday, too."
—SELECTED

Information Test

Answers to history and geography questions may be found on page 8. If you miss too many of them, a review of history and geography is advisable. Current history questions refer to this issue of THE AMERICAN OBSERVER.

American History

1. While Washington's 9,000 men shivered in their huts at Valley Forge, 20,000 well-equipped British troops spent an idle winter 22 miles away at the city of (a) Trenton, (b) Philadelphia, (c) New York, (d) Boston.

2. What republic declared its independence in 1836 and gave up its independence to become a state in 1845?

3. Mexico City was once captured by United States troops under General (a) Pershing, (b) Sherman, (c) Scott, (d) Houston.

4. The president who, immediately after the expiration of his term, went to hunt big game in Africa was (a) Grover Cleveland, (b) Theodore Roosevelt, (c) William Howard Taft, (d) Warren G. Harding.

5. The president's wife who fled from the capital as the enemy approached, taking with her a portrait of Washington, ripped from its frame, was (a) Mrs. Washington, (b) Mrs. Madison, (c) Mrs. Monroe, (d) Mrs. Lincoln.

6. A capable and trusted American officer who plotted to give up the fortress at West Point to the British was (a) Major Andre, (b) General Lee, (c) General Howe, (d) General Arnold.

7. When Henry Hudson sailed the *Half Moon* up the Hudson River, he was in the employ of the (a) Dutch, (b) English, (c) French, (d) Portuguese.

Geography

1. Captain James Roosevelt will go from Chungking to Cairo. What two countries does this statement indicate

that he is visiting on his mission abroad?

2. Russia has just completed a mountain road to the border of Afghanistan. Afghanistan separates Russia and (a) India, (b) Iran (Persia), (c) China, (d) Turkey.

3. Jerusalem, where King Peter of Yugoslavia found temporary refuge, is the capital of (a) Saudi Arabia, (b) Iraq, (c) Palestine, (d) Syria.

4. A sea much like the Great Salt Lake of Utah is the (a) Arabian Sea, (b) Black Sea, (c) Red Sea, (d) Dead Sea.

5. Most of the people of Egypt live (a) along the northwestern coast, (b) along the Nile, (c) on the shore of the Red Sea, (d) in the central part of the country.

6. Siberia is governed from (a) Peiping, (b) Delhi, (c) Moscow, (d) Leningrad.

7. Africa is on one side of the Red Sea. What country is on the other?

Current History

1. What proportion of the total defense program for next year does the Roosevelt administration hope to meet by taxation?

2. What is the relation between the taxation and borrowing programs and inflation?

3. What are Colonel Lindbergh's principal arguments against America's participation in the European war?

4. How are these arguments refuted by Lindbergh's opponents?

5. What position does Marriner S. Eccles hold?

The Week at Home

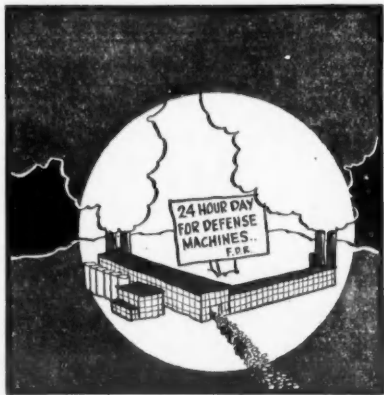
Aid in the Atlantic

Now that our Atlantic neutrality patrol is cruising farther afield, the warnings it broadcasts whenever it locates German raiders should be of more help to the British in evading their enemies and hunting them down. If this activity is sufficiently effective, the British may be able to take some of their own warships off patrol and use them elsewhere—in protecting convoys, perhaps.

To speed munitions to England, the President has ordered the Maritime Commission to assemble a pool of 2,000,000 tons of existing shipping, foreign and domestic. Some of this shipping may be transferred to British registry for use in the combat zone, but most of it will remain under our flag. Britain is beginning to feel a shortage of merchant sailors, so the vessels will be of more use to her if American crews sail them outside the combat zones, releasing British-flag shipping for use in the North Atlantic.

Immediately after receiving the President's order, the Maritime Commission conferred with the owners of American oil tankers and found that 50 of these ships could be made available for British use. For the reason just given, most of them will not be transferred to Britain, but will be used in carrying British oil from South America to ports in the North Atlantic where it will be pumped aboard British tankers for the trip through the fighting zone.

Meanwhile, reports from London indicate that Britain wants American naval protection for convoys more than anything else. Wendell Willkie and other prominent



FOR THERE SHALL BE NO NIGHT
FROM THE NEW YORK POST

Americans are now urging it, while non-interventionists continue to warn that it will plunge us into a war for which we are unprepared.

24 Hours a Day

Several days ago, in a letter addressed to William S. Knudsen and Sidney Hillman, directors general of the Office of Production Management, President Roosevelt praised the increase in production which industry and the OPM had obtained, but he said quite bluntly that it was not enough. He asked that machines be used more hours per day and that idle tools be moved to



HEADQUARTERS OF THE OPM

This large building, located within a few blocks of the U. S. Capitol, was originally intended to house the Federal Security Agency. But it has been given over to the Office of Production Management for the emergency, and thus it becomes one of the important nerve centers of the defense program.

localities which need them. He asked, also, that the country be combed for experienced machine-tool operators.

Figures collected by the National Association of Manufacturers and the Bureau of Labor Statistics show how imperative it is that the President's requests be complied with promptly. Thousands of machine tools are standing idle much of the time, especially during those week-end "black-outs" that Mr. Knudsen has complained about before. It appears that three-quarters of our available machine tools are being operated on only one shift.

The OPM is now trying to arrange for the use of tools 24 hours a day, seven days a week wherever it can find enough operators for the necessary shifts. Steps are being taken, too, toward carrying the defense program to the thousands of small machine shops which have thus far had no part in it. To stretch the supply of skilled labor a little, the OPM is suggesting that manufacturers offer to pay bonuses to all workers who voluntarily give up their vacations this year.

U. S. Pilots to War

The recent announcement by the War Department that a substantial number of second and first lieutenants of the Army Air Corps are being sent to England for duty as "military air observers" was not entirely unexpected. On the sixth of last month it became known that the Air Corps would soon authorize its observers to accompany British planes on raids over the continent instead of limiting them to observation in the British Isles, and the inference was drawn that more observers were to go over.

No clue has been given as to the number of pilots to be ordered to this duty. On April 23, when the State Department disclosed that one of our observers with the Royal Air Force had met his death in an air accident, it was stated that we had more than 50 such observers, most of them senior officers. Later, Secretary of the Navy Knox told reporters that "quite a batch" of young naval fliers were being sent to Britain, some of them for service with the Royal Navy.

The Army pilots now going over are members of pursuit and bombardment units. It is hoped that the experience they gain in military operations abroad will enable them to improve training in our Air Force when they return. Some of them are crossing the ocean on the large American-built bombers which are being flown to England, but most are going by commercial ships and air lines.

There is much speculation now as to the status of American airmen participating in raids over German-held territory. Our observers, it is said, will not engage in combat, but it appears that some of them will fly small, single-place pursuit ships in

British formations. Just what the American officers will do when the British formation is attacked by German planes is not clear.

Save the Forests!

The great green Northwest has not suffered this spring from drought-born forest fires like those which swept the Atlantic seaboard last month, but it has ample reason to be alarmed at what is happening to its timber. Lumber is urgently needed for barracks, plane hangars, ship frames and fittings, and a hundred other things. To satisfy the new demand, logging camps and sawmills are working away long after dark. New operators have sprung up like mushrooms everywhere, and saws and axes are working steadily to cut timber out as fast as possible.

The problem of conserving this basic natural resource of the Northwest was already serious. Each year 14,000,000,000 board feet of lumber are taken from the woods of the region by sawmills, fire, and insects, while the annual growth amounts to only 6,000,000,000 board feet. Now that the emergency has added its demands for timber, Washington, Oregon, Idaho, and Montana can picture their wealth slipping away from them. The hot, dry days of summer may bring a new threat, too, for they will give saboteurs a chance to destroy large quantities of a valuable defense material by starting forest fires.

Now fire precautions are being increased throughout the Northwest. Additional lookout stations have been built, and forest rangers have been told to be more vigilant than ever. Conservation has become again



INCENDIARIST TRICK

During the last war, small incendiary bombs, made up like fountain pens, caused untold damage to cargoes bound for Europe. The F.B.I. is on the hunt for similar devices today. Here is an incendiary pencil, which looks like any other pencil, but which can produce an intensely hot flame.

the talk of the day, and Congress, as well as the states, is giving it consideration.

Relief "Overhead"

Most contributors to worthwhile causes like to feel that almost all the money they provide is used in the cause, only a little being deflected for the expense of handling it. Such people are frequently shocked by the discovery that a large part of each dollar received by certain charitable groups is swallowed up by those expenses which are lumped together as "overhead."

In some of the relief organizations that are so active today, a very large percentage of the money collected goes for expenses. A recent report issued by the State Department revealed that a relief group formed by members of the younger social set of New York admitted spending 98 per cent of its receipts for such things as advertising and administration.

The National Information Bureau, which investigates large agencies engaged in charitable work, says that the overhead costs of relief agencies should not ordinarily exceed 25 per cent. The bureau reports that the British War Relief Society, which has collected \$8,650,000 in the United States, keeps its expenses down to eight per cent, and the British-American Ambulance Corps holds its down to 12 per cent. The Greek War Relief Association has an overhead of only four per cent.

Marriner Eccles

At the 29th annual meeting of the United States Chamber of Commerce held in Washington several days ago, Marriner S. Eccles, chairman of the Federal Reserve Board, and Ellsworth C. Alvord, chairman



H. B. E.
MARRINER S. ECCLES

of the Chamber's finance committee, disagreed on the subject of the government's financial policy. Mr. Alvord feels that the tax increases asked by the administration are much too drastic, and he advocates economizing by cutting non-defense expenditures to the bone. Mr. Eccles, on the other hand, favors heavier income and excess-profits taxes and opposes curtailing government relief except where increased employment permits its reduction.

Eccles is a businessman and banker who has clashed with others repeatedly in the last seven years. His background is an unusual and interesting one. He is the son of a Scotsman who, after his conversion to Mormonism, journeyed to Utah and, through lumber, sugar beets, banking, and insurance, built up a fortune in the West. Marriner was graduated from Brigham Young College in 1909 and then spent two years in Scotland as a Mormon missionary. Among his converts was the lady who, in 1913, became Mrs. Eccles.

Inheriting a fortune of several millions, Eccles enlarged the circle of the family enterprises, assuming control of new corporations and acquiring a number of banks. Every one of the companies he headed was a success, and when the depression came, not a dollar deposited in any one of his banks was lost. This fact was mentioned by President Roosevelt when, in November 1934, he named Mr. Eccles head of the Federal Reserve Board.

Before Roosevelt's first inauguration Eccles had advocated government spending, higher income and inheritance taxes, federal aid for the unemployed, federal control of securities and stock exchanges, and other principles which were to become parts of the New Deal. It is not surprising, therefore, that as chairman of the board of governors of the Federal Reserve System, he has consistently supported the financial policy and social program of the administration.

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A Weekly Review of Social Thought and Action

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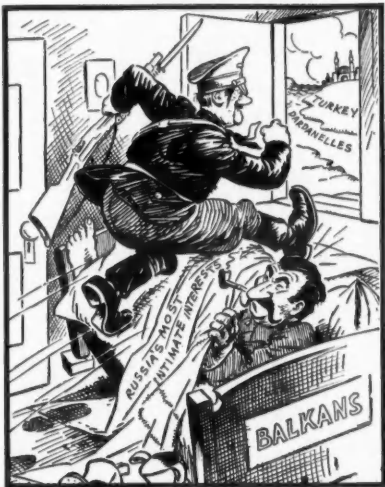
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The Week Abroad

Trouble in Iraq

In the April 28 and May 5 issues of THE AMERICAN OBSERVER we sketched some of the political and geographic factors underlying the relations between Britain and Iraq. We related that Iraq had been broken away from the old Turkish Empire, during the World War, to become a British mandate; that the mandate had been abandoned in favor of an alliance, in 1932; and that very recently the alliance was severely jolted when a pro-Nazi military government, headed by Rashid Ali Beg-Gailani, seized power by a coup. When the British promptly landed troops in Iraq, last month, it seemed for a while that Iraq was in their hands and the coup had failed.

Last week, however, Beg-Gailani apparently decided to resist the British occupation while there was still time. Orders were passed on to the army which began to shell isolated British airdromes and detachments in central Iraq, while British forces began to move toward Baghdad from the south. The Iraq army, with about 55,000 men, is of poor quality, but



AND OLD JOE MAY HAVE TO PUT UP WITH IT
RAY IN KANSAS CITY STAR

it greatly outnumbers the British forces, which probably do not exceed 6,000 men and 100 planes. So far, the British have been unable to hold positions in northern and central Iraq, but reinforcements are now being rushed. If enough troops and planes can be brought from other parts of the British Empire to crush Beg-Gailani's government before Hitler can rescue it with planes and men, the situation can be righted swiftly. If not, Britain will face another serious loss.

While Iraq itself would be a prize for Hitler, the Germans may be even more interested in starting a big Arab revolt, from the Persian Gulf deep into Africa. There are 40,000,000 Arabic-speaking people in North Africa and the Near East, and many of these (in Egypt, Palestine, Transjordan, Arabia, Egypt, and Syria) could cause a great deal of trouble for Britain at this point. Whether they will rise, or regard the Iraq fighting as a purely local affair, is what Germans and British are waiting anxiously to see.

Moscow Parade

Ever since 1917, May Day has been a day of great celebration in the Soviet Union. It is, by tradition, the day of the workers. Long parades pass beneath the gray-pink walls of the Kremlin, past a reviewing stand jammed with high officials, and on through Moscow's roomy Red Square. Foreign diplomats and reporters are always present, for the placards carried by the marchers usually strike the keynote of Stalin's policy of the moment. Last year, for example, when Hitler had poised for his blow at France, paraders displayed great interest in the grain crop, automobile production, and other internal matters of the Soviet Union.

The May Day parade of 1941 struck a distinctly military note. Tanks rumbled,

cavalry clattered over the pavement, while big aircraft motors throbbed overhead. "Bolster the Red Army," the signs shouted. "Strengthen the Intelligence Service," "Increase the Might of the Workers' Republic."

To some observers the demonstration held an important significance, coming at a time when relations between Russia and Germany seemed to be getting worse. Having signed a pact of neutrality with Japan, the Soviets had been steadily moving troops westward to take up positions along the fortified line running from Lwow, or Lemberg, in Russian Poland, to Odessa, on the Black Sea. There were reports of troop concentrations far to the south, along the borders of Turkey and Iran.

These developments, together with Stalin's ban on the transit of all war materials across Soviet territory, is taken by some to indicate that Russia has decided that Hitler has gone far enough, and that a Soviet-German clash is rapidly developing. On the other hand, there is considerable suspicion that Stalin is merely preparing the groundwork for a new treaty with Germany, and that its gestures of strength are designed for no other purpose than to increase his bargaining power in advance.

Refuge in Crete

Sixty miles across the blue Sea of Candia from the southern tip of Greece, the long island of Crete stands like a bar across the entrance to the Aegean. A double range of tall, wooded mountains runs the length of the island, measuring 160 miles from tip to tip. The southern slopes are steep, dry, and hot. Toward the north, the mountains shelf off gradually into short valleys. Here, where the climate is mild and the sea winds cool, a poorly educated, backward population tends olive and orange groves, vineyards, sheep and goat herds.

Civilization flourished in Crete long before the name Athens meant anything to the ancient world. The golden age of Crete, which extends as far back as 3315 B. C., is now called the Minoan Age, after King Minos, who ruled from a spreading palace in Gnosus. In those times Crete contained more than a million people. But when Athens stood at the height of her power, Crete was already in the final stages of decline. It never recovered.

Today, Crete has come back into the news once again. It is the temporary refuge and fortress of the government of Greece, a number of British troops, and many Greek citizens who have been forced to flee the Greek mainland. It is a highly strategic island. In addition to blocking the southern entrance of the Aegean, it lies only 110 miles from Turkey, 200 miles from Africa, and 500 miles from Italy. For this reason the British have mounted guns in the hills and along the harbors, the best of which is Suda.

Whether the British and Greeks can hold out on Crete for long, however, is doubtful. German dive bombers have al-

ready launched one slashing attack on the island, and they are expected to return in greater numbers.

Macedonia Again?

In ancient days Macedonia was a kingdom. Known to the Greeks as Macetia, a semibarbarous region of mountaineers, it emerged suddenly as a great power between 359 and 338 B.C., under Philip V, who developed the Macedonian phalanx (perhaps the first armored division) and conquered Greece. When Philip's son, Alexander the Great, conquered half the world, Macedonia stood supreme, and remained great for two centuries. In the end Macedonia fell before the power of Rome, and when it was incorporated into the Roman Empire, in 148 B.C., it virtually disappeared from the map of Europe. There has been no independent Macedonia since.

In modern times, the word Macedonia applies more to a movement than to a region. It is the base of a notorious society called the Internal Macedonian Revolutionary Organization—the IMRO, for short. Terror and political assassination are the traditional manner of IMRO expression. Greeks, Bulgars, Austrians, and Yugoslavs have fallen the victims of its hired thugs. In the American way of looking at things, the IMRO has been nothing more than a collection of political gangsters, ready and eager to sell out to the highest bidder. Macedonian terrorists were active in the Balkan wars of 1912 and in starting the World War. The IMRO attempted to murder King Boris of Bulgaria 15 years ago, and its agents assassinated King Alexander, of Yugoslavia, and Foreign Minister Barthou, of France, in 1934.

Today there is a strong possibility that Macedonia may again be revived as a political region. Hitler has placed two terrorist leaders responsible for the death of Alexander in charge of Croatia. Indications are that a section of northern Greece and southern Yugoslavia, comprising an area within a 160-mile radius of Salonika, may be formed into a separate state, or perhaps into an autonomous province of Bulgaria. This region is inhabited by a motley collection of Greeks, Turks, Bulgars, Serbs, Albanians, and Wallachians, and has no racial unity whatever, but as a political weapon, it might be of value to Hitler.

Deserted City

During the reign of Queen Elizabeth, England became the world's greatest sea power. During that same period, a little Devonshire fishing village, on the southwestern tip of England, became a great port. It was Plymouth, which later served as a gateway through which trade flowed to and from America.

Many a ship loaded with colonists bound for America weighed anchor in Plymouth



CHINA'S GRATEFUL LEADERS

Generalissimo and Madame Chiang Kai-shek inspect one of the attractive cards which Madame Chiang has prepared to serve as an acknowledgment to donors in the current United China aid appeal in America. Thousands of the cards, each signed personally by Madame Chiang, have been mailed to the United States.

harbor. Many brought back sugar and spices from the West Indies. Plymouth became a noisy, bustling town of seamen, home from the seven seas; shipyards, loud with the clatter of saws and hammers; sugar refineries, sail lofts, chainmakers, and small factories. Its narrow streets wound uncertainly up steep hillsides, smelling of tar, fish, spices, and salt air. In later days came riveting hammers and sputtering steam winches. Plymouth became a great naval base.

Last week a murky cloud of fine dust hung over Plymouth. Beneath it lay a tangled maze of twisted car tracks, girders, broken masonry, and crumbled walls. Five terrific air raids in the space of eight days had done their work. The people of Plymouth had left, on orders from their government. The town was, for all practical purposes, a ruin.

Imperial Birthday

On the last Tuesday in April, rain fell heavily all day in Tokyo. Water bubbled in the gutters under a leaden sky, and lights went on early. But under the massive gray walls of the Kyushu Palace, great crowds waited for hours for the Emperor to pass by and celebrate his 40th birthday by reviewing army units on the sodden Tokyo parade ground. When he passed, heads were uncovered and eyes lowered, for it is a tradition in Japan that no one may look directly at the Emperor, and no one may look down upon him. He is deeply revered and loved. In Japanese eyes he is divine.

Although early Japanese history is very obscure, the scholars of Japan hold that the existing dynasty was founded 2,601 years ago by Jimmo Tenno, a descendant five generations removed from the Sun Goddess. On the basis of these calculations, Hirohito is the 124th sovereign in an unbroken line of Japanese emperors.

Born in 1901, Hirohito received tutoring at a special school for peers, and has led a very sheltered life. At least twice he has shattered precedent. First he went on a trip to Europe, in 1921, rode on the London subways, attended the races, and enjoyed himself freely. Second, he defied opposition of court conservatives to marry a talented and beautiful girl of his father's court—the present Empress. But since 1926, when he mounted the throne in a robe of dull orange, he has lived mostly beyond the view of the world in general, emerging from his palace only on formal occasions. He owns 50 villas in scattered parts of Japan, but he visits only one regularly, and that is during the summer.

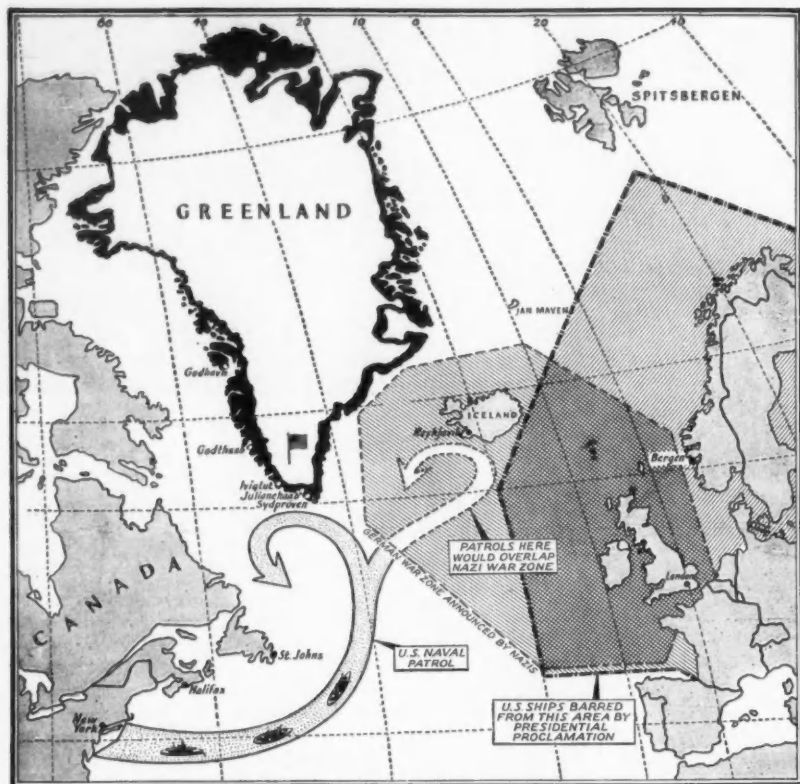
Idolized though he is, Hirohito is a human being. He is the father of five children, a good swimmer, and a devotee of golf and tennis. Occasionally he writes a few lines of verse, but his real hobby is the study of marine biology—a study he pursues tirelessly in his palace laboratory and in talks with visiting scientists who are often invited to the palace.



ACME
EMPEROR HIROHITO



ACME
A NEW GERMAN SUBMARINE TAKES TO THE WATER
German workers line up along a pier to watch another Nazi sub slide sidewise down the ways into the water.



CAN BRITAIN WIN THE BATTLE OF THE ATLANTIC?

This map shows the area in which the critical battle to defend Britain's supply lines is being waged.

Can England Win the War with Increasing Aid from United States?

(Concluded from page 1)

that they may be able to persuade us to send another American Expeditionary Force to Europe, and to share with England militarily, as well as financially, the fiasco of this war.

I do not blame England for this hope, or for asking for our assistance. But we now know that she declared a war under circumstances which led to the defeat of every nation that sided with her from Poland to Greece. We know that in the desperation of war England promised to all those nations armed assistance which she could not send. We know that she misinformed them, as she misinformed us, concerning her state of preparation, her military strength, and the progress of the war.

A Lost Cause?

Convinced not only that Britain cannot win by herself, but that she is lost even if joined by the United States, he continues:

I ask you to look at the map of Europe today and see if you can suggest any way in which we could win this war if we entered it. Suppose we had a large army in America, trained and equipped. Where could we send it to fight? The campaigns of the war show only too clearly how difficult it is to force a landing, or to maintain an army on a hostile coast.

Suppose we took our Navy from the Pacific and used it to convoy British shipping. That would not win the war for England. It would, at best, permit her to exist under the constant bombing of the German air fleet. Suppose we had an air force that we could send to Europe. Where could it operate? Some of our squadrons might be based in the British Isles; but it is physically impossible to base enough aircraft in the British Isles alone to equal the strength of aircraft that can be based on the continent of Europe.

I have asked these questions on the supposition that we had in existence an army and an air force large enough and well enough equipped to send to Europe; and that we would dare remove our navy from the Pacific. Even on this basis, I do not see how we could invade the continent of Europe successfully as long as all of that continent and most of Asia is under Axis domination. But the fact is that none of these suppositions is correct. We have only a one-ocean navy. Our army is still untrained and inadequately equipped for foreign war. Our air force is deplorably lacking in modern fighting planes.

When these facts are cited, the interventionists shout that we are defeatists, that we are undermining the principles of democracy, and that we are giving comfort to Germany by talking about our military weakness. But everything I mention here has been published in our newspapers, and in the reports of congressional hearings in Washington. Our military position is well known to the governments of Europe and Asia. Why, then, should it not be brought to the attention of our own people?

Major George Fielding Eliot, the well-known military commentator, agrees, along with many others who favor aid to Eng-

land, that the British cannot win the war alone:

We have had it demonstrated over and over again, most recently in Greece and Yugoslavia, that bravery and devotion are not enough, that modern conditions of warfare demand modern weapons and equipment. This is a war of men and machines; without the men, the trained, disciplined, determined men, the machines are useless; but without the machines, the men are helpless. . . .

The crux of the matter is the tonnage actually available for the transport of vital cargo to Great Britain. This is affected not only by actual losses, but by tonnage laid up because of injuries, in congested and bomb-raided British shipyards. There is reason to believe that the global figure of available tonnage has already sunk below the safety point.

It can be said without hesitation that if the present rate of sinkings continues, or, as is very likely, is accelerated, if no means is found of better protecting the vital sea lanes of Great Britain, of reducing shipyard congestion and increasing the actual operating tonnage, there is good reason to believe that Britain may be compelled to sue for peace before the year is out.

The syndicated columnists Alsop and Kintner report that those who frequent the inner circles of official Washington are giving up hope that Britain can win by herself. "That view," they write, "has been dispelled by a deeply significant new role in reports from Britain in recent weeks—a note of doubt of Britain's power to resist indefinitely without far more



INTERVENTIONIST

Major Alexander P. de Seversky, noted aviator and plane designer, takes issue with Charles A. Lindbergh.

substantial help than is now being given." They continue:

The note has been struck by a half dozen returning observers, both official and unofficial. One school, best represented by the brilliant president of Harvard, James Bryant Conant, does not question the resilience of British morale, but argues that Britain's brute strength will soon be exhausted if no greater help comes. . . . A second school, centered in the War Department, affirms the magnificence of the British people's courage, but points out that the wellspring of courage is hope, and that Britain's hopes have been pinned on the United States for many months. If these hopes are disappointed, the second school says, the worst can easily happen.

Greater U. S. Aid

The prevailing view among Washington officials, military writers, and experts in general is that Britain will be defeated unless the United States steps into the breach without delay. The Gallup poll, however, indicates that a majority of the American people still cling to the hope that Britain can win alone. According to a recent poll, 68 per cent of those questioned favored American participation in the war if there was no other hope of defeating Germany. Only 19 per cent thought it necessary to enter now. Seventy-one per cent favor conveying goods to Britain if necessary, but only 41 per cent believe it necessary to begin convoys at present.

We have quoted Colonel Lindbergh's opinion that the United States and Britain combined cannot defeat Germany. Other experts believe differently. Hanson Baldwin, the brilliant military commentator of the *New York Times* (a man who has little sympathy with the President's policies) writes, "I believe that if we entered the war today Britain and the United States would probably eventually defeat the Axis powers and their satellites, perhaps defeat Japan, too, were she to enter the conflict."

Last week a committee of 17 military, naval, and air experts stated emphatically that Britain and the United States combined can and will defeat Hitler.

Major Eliot is almost optimistic on this point:

The Nazi legions, like Napoleon's, must come sometime to the sea, and the sea they cannot cross because they have no fleets. The sea conveys to their enemies the resources of the non-European world; those resources are denied to Germany. The sea permits the arsenals of North America to replenish the weapon-power of Britain, arsenals which cannot be reached by German air power; the arsenals of Germany are all within reach of British air power. . . . if the seas are kept open, Germany can be defeated.

Anglo-American Plan

Major Alexander P. de Seversky, famous aviator, designer, builder, and pilot, an authority on the tactics of air warfare, presents in the May issue of *American Mercury* a plan by which Britain and the United States might defeat Hitler. Even though Germans conquer all continental Europe, he says, they will still be encircled by the British Empire and its allies. If Britain is receiving tremendous numbers of planes from the United States, these planes, together with others built in England and in the Empire, will soon give the British and their allies superiority in the air. These planes can strike at Germany from many different directions:

In the long run—and admittedly it may be a long and costly run—it will be easier for the British to obtain control of the air over Europe than for Europe to assume control of the skies above the British Empire. The direct attacks on Germany's vital centers will be undertaken from far-flung bases; not alone from Africa and perhaps the Near East but inevitably, in time, from Canada and even India. To cope with this, Hitler would have to dominate the skies over virtually the entire globe.

Major Seversky thus differs with his fellow aviator, Colonel Lindbergh, who believes that German aircraft can damage Britain far more severely than British and Allied aircraft can ever damage Germany. Lindbergh's assumption is that a successful attack on Germany must be by land, whereas the opposing point of view holds that Allied supremacy on sea and in air would be sufficient.

Another question is whether the United States could defend its position in this hemisphere against all comers, if England

ceased to exist as a great power. Hanson Baldwin believes it could. The British fleet is the outer bulwark of our defense, he says, only so long as we wish to make it so by lining our foreign policy behind it. We are not indebted to it for protection in the past, and we do not have to be in the future. In his opinion, it is defeatism of a dangerous sort to spread the idea that the United States cannot survive without the British fleet, for someday we may have to.

Colonel Lindbergh believes, also, that the Western Hemisphere can be successfully defended by us:

Practically every difficulty we would face in invading Europe becomes an asset to us in defending America. Our enemy, and not we, would then have the problem of transporting millions of troops across the ocean and landing them on a hostile shore. . . . The United States is better situated from a military standpoint than any other nation in the world. Even in our present condition of unpreparedness no foreign power is in a position to invade us today. If we concentrate on our own defenses and build the strength that this nation should maintain, no foreign army will ever attempt to land on American shores.

Major Seversky is not so confident. Asserting that the big bomber and troop transport plane has outmoded the old styles of invasion, he warns that successful attacks by air may be perfected in the future, adding, "That may mean that no nation and no part of any nation will be immune from direct attack from any part of the world. And long before that, the Atlantic, then the Pacific, will fall under the domination of one air power or another in total disregard of respective naval strengths. . . . The one sane defense against air attacks," he argues, "is to annihilate their points of origin in enemy country."

The arguments and evidence we have quoted in this article can do little more than give the reader a start in the study of problems of power which have been presented. Further reading should be done.



ISOLATIONIST

Charles A. Lindbergh argues that the United States should not look beyond the Western Hemisphere for its defense.

Conflicting views should be analyzed; and the reader must always remain critical, and use his own judgment. Events have proved military critics wrong many times during this war already, and they may again. The best they can do, and the best anyone can do, is to study the probabilities in the light of all available evidence.

References

"Letter to Americans," by Charles A. Lindbergh. *Collier's*, March 29, 1941, pp. 14-15. The aviator states his reasons for opposing the administration's course of action and outlines the isolationist's point of view.

"Why Lindbergh Is Wrong," by A. P. de Seversky. *American Mercury*, May 1941, pp. 519-532. Another famous aviator challenges Lindbergh's conclusions.

"Can Hitler Invade America?" by John T. Flynn. *Reader's Digest*, April 1941, pp. 1-6. Allied with Lindbergh, Mr. Flynn here discusses a question which is related to other factors in their conclusions.

"Americans, Stop Being Afraid!" by Wendell L. Willkie. *Collier's*, May 10, 1941, p. 11. Written in part as a reply to Lindbergh's earlier article in *Collier's*, this is the Republican leader's stand in favor of the administration's course of action.

Government Launches Program to Finance Huge Defense Outlays

(Concluded from page 1)

While the government's purpose is to encourage investors to hold the defense bonds for the full 10-year period, the Series E bonds may be redeemed at any time after 60 days from the date of purchase. In this way, purchasers need have no fear of having their funds tied up in case of an emergency. It is felt, however, that a majority of the bondholders will wait until their bonds have matured.

For those who cannot afford the lowest-priced bond, defense savings stamps are offered in denominations of 10, 25, and 50 cents and \$1 and \$5. When stamps amounting to \$18.75 have been accumulated, they may be converted into one of the bonds.

There are two other types of defense bonds designed for persons of larger incomes and for corporations. The Series F bonds are similar to the Series E bonds, described above, except that they are issued in larger denominations and may be purchased by corporations, as well as individuals. They are issued in denominations of \$100, \$500, \$1,000, \$5,000, and \$10,000. They, too, are sold on a discount basis; that is, the interest is added to the sale price. They must be held for 12 years before maturity, and they bear an interest rate of 2.53 per cent. Thus a \$100 bond sells for \$74.

The third type of bond, Series G, differs from the other two inasmuch as it is sold at face value and the interest payments are made directly to the holders at the rate of 2.5 per cent a year. These bonds are designed for persons or corporations who depend upon investments for regular income. They receive a check from the government each year, whereas holders of the other types of bonds must wait until the bonds mature before they receive the interest which has accumulated.

Taxation Program

Now we come to the taxation program which is under consideration and which is expected to be enacted into law within the next two months. Secretary of the Treasury Morgenthau outlined a program to the House Ways and Means Committee which is aimed at yielding an additional \$3,500,000,000 in revenue to the federal government.

What the government is attempting to do is to pass a tax law that will pay two-

thirds of the costs of defense during the year beginning July 1. Since the total expenditures of the federal government for that period will reach the total of \$19,000,000,000 (according to the best estimates), it is hoped to obtain \$12,667,000,000 in taxes. The tax laws now on the statute books fall short of this goal; hence the request for the additional \$3,500,000,000.

It is impossible to predict the exact nature of the tax bill that will finally emerge from the debates now in progress, although it is certain that existing taxes will be greatly increased, and many new ones will be imposed in order to raise the needed revenue. The plans proposed by Treasury officials differ from those suggested by congressional tax experts, as may be seen by the chart on this page. Whichever plan is adopted, or whether a compromise measure is finally accepted, the American people face the heaviest tax burden in their entire history.

In boosting the revenue from taxes, chief reliance is to be placed upon a sharp increase in the income tax rates. As a result of the tax law of last year, more than twice as many persons were obliged to pay a tax on their 1940 incomes as paid the year before. The exemptions for both married and single persons were lowered. To the existing rates, surtaxes and supertaxes are to be added in the 1941 revenue act. The Treasury proposal would boost the income tax nearly sevenfold in certain cases. For example, a married person whose tax on last year's income amounted to \$11 would be obliged to pay \$72 under the Treasury's schedule. And one who paid \$110 on his 1940 income would have to dig up \$506 on the same income in 1941.

Even with these drastic increases, the yield will still be insufficient to reach the desired objective of \$3,500,000,000. For the remainder, existing excise taxes would be raised and additional ones imposed. An excise tax is a sort of sales tax imposed by the government. For example, we now have federal taxes on cigarettes, liquor, theatre tickets, gasoline, and many other products. Both the Treasury and the congressional proposals would greatly increase these levies. Thus an eight-cent tax would replace the present six-and-a-half-cent tax on cigarettes; an additional \$1 would be



THE PRESIDENT BUYS THE FIRST ONE

Secretary of the Treasury Morgenthau sells the first of the new defense savings bonds to President Roosevelt.

placed on each gallon of liquor; the gasoline tax would be increased by one cent. In addition, a five per cent tax would be imposed upon transportation tickets and telephone bills; a two-cent tax would be placed upon bank checks; there would be taxes on matches, soft drinks, bowling alleys, phonographs, and other products.

To Prevent Inflation

But whatever details may be decided upon, the American people in all walks of life are going to have to pay heavily—more heavily than they have ever paid before—when the new tax bill is enacted into law. Whether they pay more for their gasoline or whether their income tax has been trebled or quadrupled, they will find that a larger portion of their income must be turned over to the federal government in taxes.

The goal of the present tax program is to raise two-thirds of the costs of the defense program and other governmental expenditures by taxation and one-third by borrowing. This situation differs markedly from the World War experience, when only one-third of the government's expenses was met by taxation and the remaining two-thirds by borrowing. But financial experts feel that the World War experience has taught us the unwisdom of such a policy, for during that period, we experienced sharp increases in prices and the country went through a period of inflation, followed by collapse. It is the government's purpose to prevent the recurrence of such a thing during the present emergency.

In fact, both the defense-bond program and the taxation proposals have more than one purpose. To be sure, their primary objective is to raise the money necessary to finance the defense program. But they have an almost equally important objective of preventing inflation, or an uncontrolled increase in prices. In other words, the government's policy of taxing and borrowing is designed to permit the defense program to be carried forward without producing disastrous economic dislocations.

What the federal government is trying to accomplish is relatively simple. By compelling the American people to turn over a larger part of their income in higher taxes, the government is leaving them a smaller amount to spend for various goods and services. At the same time, it is trying to induce them to save part of their incomes by investing in the defense bonds which have been placed upon the market. By these two means, billions of dollars which might otherwise be spent for automobiles, refrigerators, clothing, and thousands of other products will be diverted to other channels to pay for the defense program.

It is argued that such a diversion is essential if inflation is to be avoided. It must be remembered that American industry is at present turning over part of its capacity to filling defense orders for this country and England. American industry, as a whole, is unable to produce as many goods for general consumption as

would be the case if there were no defense program. At the same time, the American people are receiving larger sums in wages and other income as a result of the defense program. If they were allowed to spend their entire incomes, there would develop a shortage of many goods and prices would increase drastically. Walter Lippmann, in one of his recent columns, explains the situation as follows:

In order to make the matter clear to ourselves let us use round and, for the present, imaginary figures. Let us suppose that in the next 12 months there are sold in the United States goods and services which cost the buyers 100 billion dollars. That means that those who produced the goods and services received an income of 100 billion dollars. So they have 100 billion dollars to spend. But now suppose that, because of the government's huge purchases of warships and planes which are not to be sold, there are only 75 billion dollars' worth of goods and services for sale at present prices to private citizens who have 100 billions to spend.

What will happen if 100 billion dollars are bid for 75 billion dollars' worth of product? Obviously the price of the product will rise to at least 100 billions: what cost 75 cents will tend to cost at least a dollar.

This is what is meant by inflation, and the vice of inflation is that while the prices which everyone has to pay go up, not all incomes go up in proportion. So while a few may get richer because their incomes go up faster than prices, most get poorer because prices go up faster than incomes. This is unjust. It is oppressive. It is obviously evil and dangerous. What is the cause of this problem? It is that though the people are paid 100 billion dollars to produce goods, 25 billions of their product belongs to the Navy, Army, and Air Force. Therefore, the people, though they produced 100 billions of product, must get along with only 75 billions in their pockets. If something is not done about these 25 billions, the public will try to spend them—thus causing a 100-billion-dollar demand for a 75-billion-dollar supply. So there exists in the nation an excess income of 25 billion dollars. War finance, in the last analysis, consists of measures to prevent the public from spending that extra 25 billion dollars.

Here, then, we have the government's program of financing the defense program. It is designed, first, to raise the billions immediately needed for defense and, second, to enable the nation to move from a peacetime economy to a wartime economy without the severe dislocations which would otherwise take place. It is the essential financial counterpart of the production of weapons of defense.

References

"Tax for Defense," by Maxwell S. Stewart. *The Nation*, February 15, 1941, pp. 178-180. Mr. Stewart discusses the several ways in which the costs of national defense may be met.

"U. S. Defense: The Dollars." *Fortune*, November 1940, p. 79. "The experts figure we can afford our guns . . . and butter too . . . and maybe much higher taxes . . . or maybe a \$100,000,000 debt."

"Living by Deficit," by H. M. Fleming. *The Atlantic*, February 1941, pp. 153-159. An examination of the government's taxing and borrowing policies.

"How to Pay for Defense." *The New Republic*, July 29, 1940, pp. 153-168. Five economists contribute articles to a special section of this issue on the problem.

ANNUAL NET INCOME	BACHELOR	MARRIED NO DEPENDENTS	MARRIED TWO DEPENDENTS	ENGLISHMAN MARRIED NO DEPENDENTS
\$1,000	PAY NOW TREAS. CONGRESS \$4 \$29 \$4	None None None	None None None	\$66
\$2,500	\$64 \$270 \$97	\$11 \$72 \$44	None None \$33	\$586
\$4,000	\$123 \$550 \$255	\$70 \$312 \$202	\$35 \$180 \$167	\$1,405
\$6,000	\$255 \$964 \$554	\$150 \$700 \$502	\$114 \$541 \$466	\$2,305
\$10,000	\$686 \$1,958 \$1,417	\$528 \$1,628 \$1,364	\$440 \$1,426 \$1,219	\$4,505

INCOME TAX PROPOSALS

PICTURES, INC.

Column one shows present taxes paid on certain incomes; column two, the amounts which would be paid under the Treasury's proposals; column 3 the amounts which would be paid under an alternative plan drawn up in Congress. The Englishman's income tax is not strictly comparable with the American's. The Englishman pays fewer other taxes, though his rates are generally higher. He pays a purchase tax of about 24 per cent of the retail price on luxury items and about 12 per cent of the retail price on standard items. Each square in the above chart represents about \$100.

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Information Test Answers

American History

1. (b) Philadelphia. 2. Texas. 3. (c) Scott. 4. (b) Theodore Roosevelt. 5. (b) Mrs. Madison. 6. (d) General Arnold. 7. (a) Dutch.

Geography

1. China and Egypt. 2. (a) India. 3. (c) Palestine. 4. (d) Dead Sea. 5. (b) Along the Nile. 6. (c) Moscow. 7. Arabia.

PRONUNCIATIONS: Gnosus (nos'us), Hirohito (hee-roe-hee'toe), Iran (ee-ran'), Iraq (ee-rahk'), Kyushu (kyoo'shoo), Rashid Ali Beg-Gailani (rah-sheed' ah'lee beg'gay-lah'nee), Lwow (lvoo'), Minos (mi'nos—i as in ice).

The American Observer

SECTION II

Volume X, Number 34

WASHINGTON, D. C.

May 12, 1941

The Semester Test

Test No. 1

Part 1

Directions: In Column I are the names of persons who have been prominent in the news during the course of the second semester and who have been mentioned in The American Observer. In Column II are 25 descriptions, 10 of which fit the names in the first column. The problem is to match the appropriate description with each name listed.

Column I	Column II	Column I	Column II
1. Harry L. Hopkins	(A) Greek general.	6. Yosuke Matsuoka	(M) Chairman of the Canadian-American Defense Commission.
	(B) U. S. secretary of labor.		(N) Japanese foreign minister.
	(C) Leader of opposition in Senate to President Roosevelt's foreign policy.	7. Jean Darlan	(O) Vice-premier of France.
2. Thomas Parran	(D) Head of the Lend-Lease Administration.		(P) Surgeon-general of the United States.
	(E) U. S. ambassador to Great Britain.		(Q) U. S. secretary of agriculture.
	(F) Chairman of the Senate Military Affairs Committee.	8. Burton K. Wheeler	(R) Arab political leader.
3. Leon Henderson	(G) Director of the budget.		(S) Chairman of the Senate Foreign Relations Committee.
	(H) Head of the Vichy government.	9. Sidney Hillman	(T) German field marshal in charge of the Balkan campaign.
4. Dusan Simovich	(I) Yugoslav premier at the time of the German invasion.		(U) U. S. secretary of war.
	(J) Head of the Jewish independence movement.		(V) Co-director of the OPM.
	(K) President of the United Mine Workers of America.	10. Ibn Saud	(W) Head of the government agency which has charge of fixing prices.
5. Claude R. Wickard	(L) President Roosevelt's special representative to the Vatican.		(X) President of the AFL.
			(Y) Japanese premier.

Part 2

Directions: Read each description in Column I. Select in Column II the answer which best fits this description and write the number on the dotted line.

Column I	Column II	Column I	Column II
11. Possession of Denmark over which the United States has established a protectorate.	1. North Dakota	16. British dominion in the South Pacific.	16. Genoa
	2. Brazil		17. Greece
	3. Germany	17. Country of which Boris is king.	18. Guam
12. One of the principal racial groups in Yugoslavia.	4. Greenland		19. Soviet Russia
	5. Armenians	18. Largest country in South America.	20. Slovaks
13. U. S. battleship commissioned last month.	6. Hawaii		21. Bulgaria
	7. Rome	19. Important city in Italy shelled by the British fleet.	22. North Carolina
14. Capital of Libya.	8. Azores		23. Tobruk
	9. Union of South Africa	20. Country of which the Ukraine is a part.	24. Milan
15. Location of strongest United States naval base in the Pacific.	10. Chile		25. Rumania
	11. Philippines		26. Argentina
	12. Tripoli		27. New Zealand
	13. Croats		28. Cairo
	14. Iceland		29. Hungary
	15. Newfoundland		30. South Carolina

Part 3

Directions: Decide which of the following statements are true and which are false. Write the word "true" on the dotted line in front of each statement which you consider true and the word "false" before each statement which is partly or wholly false.

- | | |
|--|---|
| 21. The British have been able to hold all the gains they have made in Africa. | 26. There have been far more strikes during the last six months than there were during the entire World War period. |
| 22. There are today more than one million men in the United States Army. | 27. The United States government has taken over all foreign ships in American harbors. |
| 23. The Balkans were at one time under the domination of the Turks. | 28. The last time the British Isles were invaded was during the Napoleonic Wars. |
| 24. The Lend-Lease Act authorizes the President to send supplies to England in American ships. | 29. The British have permitted limited quantities of American food to pass through the blockade to France. |
| 25. Italy is today virtually under German occupation and domination. | 30. Henry Ford has long been strongly opposed to labor unions. |

Part 4

Directions: Write on the dotted line at the left of the column the number of the phrase or clause that will make a true complete statement.

- | | |
|--|---|
| 31. The Suez Canal connects the Mediterranean with the (1) Black Sea; (2) Atlantic; (3) Red Sea; (4) Adriatic Sea. | Army; (3) asked Congress to pass a law forbidding strikes; (4) took over the plants in which strikes had occurred. |
| 32. The OEM is a government agency which is playing an important role in the defense effort because it (1) has charge of the shipbuilding program; (2) is directing the training programs in the Army camps; (3) is coordinating the work of hemisphere defense; (4) has general supervision of the defense program. | 37. The principal argument against sending food to the occupied countries of Europe is that (1) there is no food shortage; (2) we do not have the ships to take the food; (3) Germany would seize the food; (4) the food would be sunk by German submarines. |
| 33. Although Baghdad is one of the world's most famous cities, few recall that it is the capital of (1) Siam; (2) Iraq; (3) Afghanistan; (4) Iran (Persia). | 38. One of the recommendations of the Temporary National Economic Committee was that (1) national charters be issued to corporations; (2) the antitrust laws be repealed; (3) taxes be reduced to help business; (4) the government regulate business more rigidly. |
| 34. In order to carry out the provisions of the Lend-Lease Act, Congress appropriated a total of (1) five billion dollars; (2) seven billion dollars; (3) 10 billion dollars; (4) 20 billion dollars. | 39. As finally enacted, the Lend-Lease Act provides that (1) an expeditionary force may be sent to Europe if necessary; (2) implements of war and foods may be sent to any nation the defense of which the President considers vital to the defense of the United States; (3) American convoys may be used in getting supplies to England; (4) American ships may be used in transporting supplies to Europe. |
| 35. The famous Fourteen Points were set forth by President (1) Washington; (2) Monroe; (3) Jackson; (4) Wilson. | 40. A bill has been passed by Congress raising the national debt limit to (1) \$50 billion; (2) \$65 billion; (3) \$75 billion; (4) \$100 billion. |
| 36. As a means of reducing strikes in defense industries, President Roosevelt (1) created a national mediation board; (2) declared that all strikers would be put into the | |

The Semester Test

Test No. 2

Part 1

Directions: In Column I are the names of persons who have been prominent in the news during the course of the second semester and who have been mentioned in The American Observer. In Column II are 25 descriptions, 10 of which fit the names in the first column. The problem is to match the appropriate description with each name listed.

Column I	Column II	Column I	Column II
1. William S. Knudsen	(A) Surgeon-general of the United States.	6. Thurman Arnold	(N) Greek premier.
	(B) Soviet foreign commissar.		(O) Head of the U. S. Army.
2. Siegmund List	(C) U. S. ambassador to France.	7. Walter F. George	(P) British foreign secretary.
	(D) Leader of the "Free French" forces.		(Q) U. S. ambassador to Great Britain.
	(E) First lord of the admiralty.	8. Raymond Clapper	(R) Director of the budget.
3. A. V. Alexander	(F) President of the CIO.		(S) German field marshal in charge of the Balkan campaign.
	(G) Leader of the opposition in Senate to President Roosevelt's foreign policy.	9. John G. Winant	(T) President of Turkey.
4. George C. Marshall	(H) Co-director of the OPM.		(U) German foreign minister.
	(I) Newspaper columnist.	10. Charles de Gaulle	(V) Head of the R.A.F.
5. Ismet Inonu	(J) U. S. commissioner of education.		(W) Man in charge of antitrust program of the federal government.
	(K) Governor of New York.		(X) Yugoslav premier at the time of the German invasion.
	(L) Head of the Vichy government.		(Y) Chairman of the Senate Foreign Relations Committee.
	(M) Head of the Lend-Lease Administration.		

Part 2

Directions: Read each description in Column I. Select in Column II the answer which best fits this description and write the number on the dotted line.

Column I	Column II	Column I	Column II
11. Famous straits controlled by Turkey.	1. Aegean	16. Capital of Ethiopia.	16. Turkey
	2. Washington		17. Adriatic
12. Nation of which Madagascar is a possession.	3. Sumatra	17. Important French port in west Africa.	18. Spain
	4. Colombia		19. Colorado
13. Sea which lies between Greece and Turkey.	5. Great Britain	18. U. S. possession in the Pacific.	20. Gibraltar
	6. Bering		21. Good Hope
	7. Massawa	19. Strongest British naval base in the Far East.	22. Bolivia
14. Balkan country in which the government was overthrown when it signed a pact with Hitler.	8. Guam		23. Bulgaria
	9. Singapore	20. One of the Plate River countries of South America.	24. Mogadiscio
15. State in which the Grand Coulee Dam is located.	10. France		25. Dardanelles
	11. Yugoslavia		26. Baltic
	12. Addis Ababa		27. Oregon
	13. Venezuela		28. Aden
	14. Puerto Rico		29. Lisbon
	15. Dakar		30. Trinidad

Part 3

Directions: Decide which of the following statements are true and which are false. Write the word "true" on the dotted line in front of each statement which you consider true and the word "false" before each statement which is partly or wholly false.

21. An acute food shortage has developed in this country as a result of the war.	27. Britain has lost practically all the gains she made in Libya.
22. Relations between Germany and the Soviet Union have grown less cordial since the beginning of the war.	28. The Philippine Islands have become more determined, since the outbreak of war, to obtain their independence.
23. The Lend-Lease Act does not authorize the President to use American convoys.	29. President Roosevelt has declared that the United States will continue to exercise its influence in European affairs following the war.
24. A severe housing shortage has developed in many parts of the country as a result of the defense program.	30. A few weeks ago, President Roosevelt sent Colonel William J. Donovan on a special mission to China.
25. More than half of the government's expenditures go for military purposes.	
26. The United States and Canada have signed an agreement coordinating their economies and war production.	

Part 4

Directions: Write on the dotted line at the left of the column the number of the phrase or clause that will make a true complete statement.

31. Civil liberties are guaranteed to the American people by (1) the Declaration of Independence; (2) the Constitution; (3) an act of Congress; (4) the Alien and Sedition Acts.	36. During the Balkan campaign we heard a great deal about the Vardar Valley, which is located in (1) Rumania; (2) Bulgaria; (3) Turkey; (4) Yugoslavia.
32. A haven in the Western Hemisphere for European refugees has been established in (1) Canada; (2) the Dominican Republic; (3) Bolivia; (4) Brazil.	37. Since the outbreak of the war, the total British, Allied, and neutral shipping sunk by the Germans amounts to over (1) five million tons; (2) one million tons; (3) 10 million tons; (4) 20 million tons.
33. The United States has taken over vessels in American ports belonging to Germany, Italy, and (1) Denmark; (2) France; (3) Sweden; (4) Portugal.	38. The TNEC recently completed its investigation of (1) un-American activities; (2) strikes in defense industries; (3) the American economic system; (4) the progress of the defense program.
34. The OEM is playing an important role in the national defense effort because it (1) is in charge of defense housing; (2) has charge of the shipbuilding program; (3) is studying the convoy question; (4) has general supervision of the entire defense program.	39. The United States and Canada have signed an agreement concerning the (1) removal of tariffs between the two countries; (2) development of the St. Lawrence waterway; (3) training of Canadian pilots in the United States; (4) formation of a federation between the two countries.
35. In order to facilitate the shipment of American supplies to the Balkans, President Roosevelt (1) removed the Red Sea as a combat zone; (2) authorized American vessels to carry goods to French ports; (3) gave 500 U. S. merchant ships to the British; (4) repealed the Neutrality Act.	40. The hub of the United States defense system in the Pacific is located at (1) Samoa; (2) Hawaii; (3) Philippines; (4) San Diego.